



Press Release

RCS MediaGroup Board of Directors

Ordinary and Extraordinary Shareholders Meeting called for the 16 December 2015.

Laura Cioli appointed Chief Executive Officer and Managing Director.

Presentation of the new Business Plan by 22 December 2015.

Results at 30 September 2015 approved¹

Consolidated revenue totalled EUR 743 million (-3.7% compared to 30 September 2014).

The Group's EBITDA before non-recurring income and expense continued to improve and increased from EUR 9.2 million to EUR 17.4 million. EBITDA after non-recurring income and expense was also positive for EUR 4.5 million (compared to EUR -17.9m at 30 September 2014).

Over EUR 41 million from efficiency measures in the first nine months (including Books) with a cumulative value of over EUR 205 million since 2013.

Consolidated net loss totalled EUR 126.4 million, of which EUR 33.8 million related to discontinuing and discontinued operations.

Improved cash flow from operations up EUR 35 million, compared to the first nine months of 2014.

Net Financial Position stood at EUR -500.0 million, compared to EUR -515.3 million at 30 September 2014.

(1) IT SHOULD BE NOTED THAT REVENUE AND EBITDA NO LONGER INCLUDE THE RESULTS FROM THE BOOKS AREA

As of 30 September 2015 and in the third quarter of 2015 the costs and revenue from the Books area activities were classified in the Profit (loss) from discontinued operations for which a sales contract was signed on 4 October 2015 – its finalisation is subject to the approval of the competent regulatory authorities: any conditional authorisation provision will not affect the completion or the transactions and will not entail changes to the economic conditions established for RCS MediaGroup S.p.A.. As of 30 September and in the third quarter of 2014 the Profit (loss) of discontinued operations was retreated to take into account the profit (loss) of the Books area, as well as the profit (loss) of the holdings IGP Decaux and Gruppo Finelco, classified starting from the end of 2014 as Discontinued operations and sold on 30 June 2015 and 15 September 2015, respectively.

EBITDA - Considered as the operating income before depreciation, amortisation and write-downs.

Net Financial Debt - The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets at 30 September 2015, 30 September 2014 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 30 September 2015, 30 September 2014 and 31 December 2014, coincide with the net financial position as defined in the aforesaid CONSOB communication.

Milan, 13 November 2015 – The Board of Directors of RCS MediaGroup met yesterday under the Chairmanship of Maurizio Costa. The Board resolved to convene an **Ordinary and Extraordinary Shareholders Meeting** on 16 December at the Group's offices in via Balzan 3, Milan, called to approve:

- a proposal for a new member of the Board of Directors, following the resignation of Pietro Scott Jovane;
- a proposal to authorize additional insurance cover for liability to third parties, including the Group, from claims which may arise from the decisions and actions of members of the governing bodies, the Managing Director and executives of RCS Group; and
- a proposal to authorize the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital of the Company in an amount up to EUR 200 million by means of a rights offering to existing shareholders of new ordinary shares, on or prior to 30 June 2017, in one or more tranches, and to revoke the previous authorization granted to the Board of Directors on 30 May 2013.

As announced on 27 October 2015, the Board of Directors today appointed **Laura Cioli as Chief Executive Officer and Managing Director**, granting her the relative powers effective immediately and again wishing her well in her new role.

The Chief Executive Officer then **confirmed the strategic guidelines of the new Business Plan and committed to a revision of the Plan** taking into account the recent performance of the Group and the markets in which it operates; the new Business Plan was previously approved by the Board of Directors on 30 July 2015 and its presentation to the market was postponed pending the conclusion of the negotiations for the disposal of RCS Books and due to the resignation of the previous Chief Executive. A timetable aimed at presenting the **Group's new Business Plan by 22 December 2015** was then outlined to the Board by the new Chief Executive.

The proposal to grant a new authorization to the Board of Directors to increase the share capital is in the best interest of the Company in that it enables the Board of Directors to finalize the new Business Plan and to redefine, on the basis of that plan, the best conditions and terms of the Financing Agreement with the Lending Banks, while maintaining the authorization to increase the share capital for a longer window of time, thus allowing a more detailed evaluation of the best financial structure.

The Board of Directors has therefore examined and approved the results at 30 September 2015, as reported in the below table, compared to the same period in 2014.

Consolidated Figures (EUR million)	30/09/2015	30/09/2014	Δ
Consolidated revenue	743.0	771.8	-3.7%
EBITDA before non-recurring income and expense	17.4	9.2	+89.1%
EBITDA after non-recurring income and expense	4.5	(17.9)	n.a.
EBIT	(75.4)	(69.4)	n.a.
Net loss	(126.4)	(93.1)	n.a.

Equity Figures (EUR million)	30/09/2015	30/09/2014	31/12/2014
Net financial debt	500.0	515.3	482.5

Despite significant uncertainties (described in detail below), which could lead to doubts about the Group's capacity to continue to operate as a going concern, the Board of Directors considers it reasonable to assume that the Group has adequate resources to continue operations for the foreseeable future, in particular taking into account existing initiatives, namely: (a) the continuous on-going discussions with Creditor Banks regarding the Company's requests; (b) the above-mentioned call for the Assembly to approve a new mandate

for a capital increase; (c) the possibility to execute the increase of capital already authorized by the Extraordinary Assembly of 30 May 2013 should the new authorization fail to be approved; and (d) the upcoming revision of the new 2016-2018 Business Plan to be presented by 22 December 2015; the Board thus adopted an assumption of going concern for the preparation of the interim financials statements to 30 September 2015.

Significant uncertainties, as mentioned above, relate to:

- (i) the foreseeable failure to meet financial obligations at 31 December 2015 and the emergence of triggering events related to financial obligations at 30 September 2015;
- (ii) failure to reach a final agreement with the Lending Banks; (iii) the need to revise the 2016-2018 Business Plan in light of the recent performance of the Group and the markets in which it operates; and (iv) the loss registered by the Group at 30 September 2015.

Group Operations at 30 September 2015

In the first half of 2015, the Italian economy continued to show modest positive signs and in Spain the positive trend, which began in 2014, continued. In Italy, these trends have not yet had a significant impact on the advertising market, which in September 2015 continued to show its negative trend, with a decrease of 1.6% (print -6%, Internet -1.3% - Source: Nielsen), while Spain recorded a total increase of 6.3% (print -0.4%, Internet +10% - Source: I2P/ArceMedia).

The RCS Group continued to implement its Plan guidelines based on **strategic investments, efficiency measures and focus on the multimedia sphere** to continue the development of its core business. During the first nine months of 2015 the RCS Group has continued to reinforce its core publishing business, enhancing its digital product range, boosting the value of its publishing brands and developing revenue from events, particularly sports, allocating approximately **EUR 26.2 million to investments** in the first nine months. The Group pursued structural efficiency measures with determination at the same time, which led to **benefits for EUR 41 million** at 30 September, including the Books division, resulting in a cumulative value of **EUR 205 million to date, in line with the Group's previously announced three year objective** (EUR 220 million).

Given that revenue and EBITDA no longer include the results from the Books division, the Group's **consolidated net revenue** at 30 September 2015 was EUR 743 million, compared to EUR 771.8 million for the same period in 2014. **Revenue from the digital business has exceeded EUR 113 million**, and represents more than 15% of the Group's total revenue, increasing 3.3% compared with 30 September 2014.

Circulation revenue totalled EUR 323.8 million, decreased EUR 10.6 like-for-like, despite good performance by Italian Newspapers, which grew EUR 5.3 million. **Advertising revenue** for the nine months amounted to EUR 327.5 million, showing a decrease compared with the same 2014 period (EUR -14 million) mainly due to the performance of Media Italy. This comparison is penalised by the positive effect of special initiatives and the 2014 World Cup, excluding which – net of revenue connected with EXPO – the decrease in advertising revenue for RCS Group would total EUR 6.4 million. The third quarter of 2015 also reported the positive performance of the Group's advertising revenue, which posted a +0.9% compared with the same period 2014. **Other publishing revenue** amounted to EUR 91.7 million, compared with EUR 95.9 million as of 30 September 2014.

EBITDA was positive for EUR 4.5 million, reporting an improvement of EUR 22.4 million compared to the same period in 2014. Excluding non-recurring expenses totalling EUR 12.9 million in the first nine months of 2015, **EBITDA before non-recurring income and expense was positive for EUR 17.4 million**, compared to a positive EUR 9.2 million EBITDA before non-recurring expense for the same period for 2014. The increase in EBITDA before non-recurring income and expense was also penalised by the costs incurred in 2015 for the launch of the Gazzetta TV channel and a comparison with the first nine months of 2014 characterised by the aforesaid events, only partly offset by the positive impact of EXPO. Net of these phenomena, **EBITDA before non-recurring income and expense showed an increase of more than EUR 21 million** compared to the first nine months of 2014.

EBIT was negative for EUR 75.4 million (EUR -69.4 million as of 30 September 2014), mainly due to the effect of higher writedowns that counterbalance the improvement of EBITDA.

Net financial expenses decreased by EUR 4.7 million, standing at EUR 26.1 million at 30 September 2015, basically due to interest rates.

The **net loss for the first nine months stood at EUR -126.4 million** (EUR -93.1 million at 30 September 2014). **Excluding discontinuing and discontinued operations, the net loss stood at EUR -92.6 million, essentially in line with the result of the nine months of 2014.**

The **net financial position** in the first nine months of the year totalled EUR -500.0 million (EUR -515.3 million at 30 September 2014). Compared to 30 September 2014, **cash flow from current operations² improved by EUR 35 million**, closing substantially flat.

The Group's **exact headcount** at 30 September 2015 (excluding the Books division earmarked to be sold, stood at 342 employees) totalled **3,665** employees (of which 163 people with short-term contracts and including 397 people in Italy working with job security contracts) and reported, as the balance between restructuring plans and hiring aimed at developing new business/activities, an increase of 9 employees compared with the same period in 2014, even if with a different mix of short-term contracts (+54) and long-term contracts (-45). The **average headcount** (excluding the Books area earmarked to be sold) totalled **3,713** employees, a reduction of 11 employees compared with the same period in 2014.

Comments on operations at 30 September 2015

Media Italy posted **revenue** of EUR 379.8 million (-1.2% compared to the same period in 2014): **digital revenue reached 14% of total revenue**. The fall was generated by the continued decrease in advertising revenue, partly offset by the increase in publishing revenue thanks to the positive performance of add-on products and price increase for printed magazines.

Publishing revenue totalled EUR 219.9 million, posting an increase of 2.3% compared to the first nine months of 2014. Specifically, publishing revenue of the *Sistema Corriere* reported a growth trend compared to the same period in 2014.

Advertising revenue totalled EUR 144.8 million, a decrease of 5.3% compared to the same period last year: **income from online media reaches 22.5%** of the area's advertising revenue.

Other publishing revenue totalled EUR 15.1 million down compared with the same period of 2014.

Corriere della Sera and La Gazzetta dello Sport confirmed their leading circulation rankings in September 2015 in their respective sectors. In September *Corriere della Sera* confirmed its leadership in terms of circulation, in spite of the effects of an unfavourable market, reaching an average of EUR 439 thousand distributed copies (-5.8% on an annual basis). **Digital copies** totalled 132 thousand, a **growth of 6.5%** compared to September 2014. The total circulation of *La Gazzetta dello Sport* in the first nine months of 2015, totalling 249 thousand average copies, dropped 12% compared to September 2014 (-10% excluding the effect of the reduction of digital subscriptions in promotional copies - Source: January-September 2015 ADS figures). The *corriere.it* and *gazzetta.it* websites in the nine months reached a total of 55.8 million non-average monthly unique browsers (+26.1% compared to the same 2014 period), while in terms of mobile versions of the two websites, *Corriere Mobile* reached 13.3 million average monthly unique visitors (+122% versus the same 2014 period) in the first nine months of 2015 and *Gazzetta Mobile* achieved 8.8 million unique visitors in the month of September (+131% compared with the same 2014 period).

Growth of Vertical websites continued, reporting excellent performances, in particular for the new website of *IoDonna.it*, *Style.corriere.it* and the renewed *Oggi.it*.

EBITDA for the first nine months of 2015, **positive for EUR 29.9 million, improved EUR 1.8 million** compared to the EUR 28.1 million for the same period in 2014. Excluding non-recurring income and expense from the comparison (totalling EUR 1.1 million of net income in the first nine months of 2015 and EUR 0.6 million of net expense for the same period in 2014), EBITDA was positive for EUR 31 million, with a EUR 3.5 million improvement over the same period in 2014.

Media Spain reported revenue of EUR 234.7 million down from the EUR 257.1 million for the same period

² figure from management reporting.

in 2014 (-8.7%), partly due to the effect of the closing of two television channels still active in the first months of 2014. Revenue was also affected by a reduction in the advertising sales area for third party publishers and a change of promotional policy at *El Mundo*. **Digital revenue represents 16% of total revenue**, posting a 6.4% growth on a like-for-like basis.

Advertising revenue totalled EUR 101.2 million (-4% compared with the same period in 2014); however net of the advertising sales for third party publishers and sports events in the first nine months of 2014 advertising revenue would have reported an increase of 0.4%. **Income from on-line media performed excellently**, reaching 29.8% of total net advertising revenue.

Publishing revenue totalled EUR 104.2 million, dropping EUR 15.4 million due to a general decrease in the circulation market and a different promotional plan.

Other revenues, totalling EUR 29.3 million, registered a decrease of EUR 2.8 million compared to the same period in 2014, due to the effect of closing two out of four television channels.

El Mundo, which has been headed by David Jiménez since 30 April, **confirmed its position as the second largest national newspaper** with 156 thousand copies on average daily, including digital copies, while *Marca* – a leading sports information publication - reached 163 thousand copies, including digital editions. The newspaper *Expansión* confirmed its **leadership in financial news site** with an average daily circulation of approximately 39 thousand copies including digital copies. The *elmundo.es* website has an average of 37.4 million unique monthly visitors (+15.9% compared to the first nine months of 2014), the website *marca.com* reached 40.8 million unique monthly visitors (+5.3% compared to the same 2014 period) at the end of September 2015, confirming the averages of the first half of 2015, while *expansion.com* reported an increase of 27.5% compared with last year, reaching an average of 7.8 million monthly unique users.

Unidad Editorial closed the first nine months of 2015 with a negative **EBITDA** for EUR 2.3 million compared with a negative result for the same period in 2014 of EUR 21.5 million, thus reporting an improvement of EUR 19.2 million. Non-recurring income and expense at September 2015 totalled EUR 10.8 million (EUR 26.7 million in the same 2014 period). **EBITDA before non-recurring expense and income was positive for EUR 8.5 million**, reporting an improvement of more than 60%.

Outlook

The first nine months of 2015 showed signs of recovery in the Italian economy, although the outlook is still characterized by uncertainty. On 5 November, Istat revised its forecast for year-end GDP growth up to +0.9%. The most recent indicators show a moderately positive trend in household consumption, in line with favourable views on the macroeconomic picture and the labour market and with the recovery in disposable income (Source: Bank of Italy Bulletin of October 2015). In Spain, forecasts for GDP growth for the full year 2015 amounted to +3.1% (Source: European Economic Forecast Autumn 2015).

Currently, the advertising market in Italian newspapers is not showing signs indicating a reversal of the negative trend so far detected. Expectations of a slight growth in the online advertising market are confirmed; Spain is expected to grow in online advertising (+10%) and to report substantially stable advertising revenues in traditional media for the newspaper sector (+0.8%) although this will be driven by local newspapers only, while advertising revenue for national newspapers will continue to show signs of weakness (Source: I2P Arcemedia). Past local elections and the upcoming general elections that will be held in Spain in December, are creating a situation of uncertainty, which may cause a slowdown in advertising spending.

In response to the unfavourable trends of its reference markets, the RCS Group has continued in its vigorous pursuit of further efficiency measures during the course of 2015. In the third quarter 2015, the positive impact of our efficiency measures totalled EUR 15 million (EUR 14 million excluding the part related to RCS Books), while the cumulative total value for 2013-2015 stood at EUR 205 million at the end of September 2015 (EUR 195 million excluding the efficiency measures achieved by RCS Books). Therefore, a total of EUR 220 million in benefits (EUR 211 million excluding the efficiency measures achieved by the Books division) is forecasted for the end of the three-year 2013-2015 Business Plan.

Based on the trends of the first nine months and a **fourth quarter that is forecasted to report overall stable revenues compared to 2014** (due to the positive contribution of international sports events, which greatly offset the drop in circulation) **and with an improved EBITDA**, due to the benefits that are expected to be derived from efficiency measures, **2015 consolidated revenue is forecasted to be 3% lower than 2014, while consolidated EBITDA before non-recurring items (on a comparable basis) should increase both in absolute terms and in terms of profitability**, which should amount to approximately 7% of total revenue.

For the purpose of a further reduction in consolidated NFP, the Company has continued and intensified its activities aimed at the disposal of assets (including the disposal of a stake in IGP Decaux, as well as the recent disposal of a stake in Gruppo Finelco). Further to this, and following a unanimous decision by the Board of Directors of RCS, an agreement for the transfer of the entire stake in RCS Books to Arnoldo Mondadori Editori S.p.A was signed on October 4. Additionally, a building owned by Unidad Editorial was sold on 16 October. Further negotiations are underway for the disposal of other non-core assets. **The total value of non-core assets sold between 2013 and 2015 has exceeded EUR 191 million**, to which will be added the proceeds from the sale of RCS Books.

In terms of NFP, a further improvement is expected for year-end, compared to 30 September 2015.

Conference Call – The results at 30 September 2015 will be presented to the financial community today at 10:00 a.m. **(CET)** via web/phone conference call. The presentation will be webcasted and it will be possible to connect via conference call. More details on the website www.rcsmediagroup.it.

Riccardo Taranto, the Director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance (Testo Unico della Finanza, TUF), that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

The Interim Management Statement at 30.09.15 will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A., as well as published on the Company's website www.rcsmediagroup.it, within the required deadlines.

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RCS MediaGroup
Reclassified consolidated income statement
(tables not subject to audit)

(EUR million)	30 September 2015	%	30 September 2014 (4)	%	Differenc e	Difference
Net revenue	743,0	100,0	771,8	100,0	(28,8)	(3,7%)
<i>Circulation revenue</i>	323,8	43,6	334,4	43,3	(10,6)	(3,2%)
<i>Advertising revenue (1)</i>	327,5	44,1	341,5	44,2	(14,0)	(4,1%)
<i>Other publishing revenue (2)</i>	91,7	12,3	95,9	12,4	(4,2)	(4,4%)
Operating costs	(505,1)	(68,0)	(545,4)	(70,7)	40,3	(7,4%)
Cost of labour	(220,4)	(29,7)	(235,2)	(30,5)	14,8	(6,3%)
Receivable impairment	(3,1)	(0,4)	(5,9)	(0,8)	2,8	(47,5%)
Provisions for risks	(9,9)	(1,3)	(3,2)	(0,4)	(6,7)	209,4%
EBITDA (3)	4,5	0,6	(17,9)	(2,3)	22,4	125,1%
Intangible asset amortisation	(28,8)	(3,9)	(26,2)	(3,4)	(2,6)	
Property, plant and equipment depreciation	(14,7)	(2,0)	(15,8)	(2,0)	1,1	
Real estate investment depreciation	(0,5)	(0,1)	(0,7)	(0,1)	0,2	
Other asset impairment	(35,9)	(4,8)	(8,8)	(1,1)	(27,1)	
EBIT	(75,4)	(10,1)	(69,4)	(9,0)	(6,0)	
Net financial income (expense)	(26,1)	(3,5)	(30,8)	(4,0)	4,7	
Income (expense) from financial assets/liabilities	(1,6)	(0,2)	(1,9)	(0,2)	0,3	
Income (expense) from equity investments equity method	1,4	0,2	(1,0)	(0,1)	2,4	
EBT	(101,7)	(13,7)	(103,1)	(13,4)	1,4	
Income taxes	8,3	1,1	12,8	1,7	(4,5)	
Profit (loss) from continuing operations	(93,4)	(12,6)	(90,3)	(11,7)	(3,1)	

Profit (loss) from discontinued operations (4)	(33,8)	(4,5)	(3,3)	(0,4)	(30,5)
Profit (loss) before non-controlling interests	(127,2)	(17,1)	(93,6)	(12,1)	(33,6)
(Profit) loss pertaining to non-controlling interests	0,8	0,1	0,5	0,1	0,3
Group's profit (loss) for the period	(126,4)	(17,0)	(93,1)	(12,1)	(33,3)

(1) Advertising revenue at 30 September 2015 includes EUR 190 million realised by the Group's Communication Solution division (of which EUR 156.4 million from Italian Newspapers, EUR 31.4 million from space of third party publishers, EUR 0.9 million from Advertising and Events and EUR 1.3 million from Spanish newspapers) and EUR 137.5 million directly from publishers (of which EUR 100 million refer to Spanish Newspapers, EUR 17.1 million to Advertising and Events, EUR 11.5 million to Italian Newspapers, EUR 9.3 million from Corporate Functions and Other Activities (Sfera) and EUR 0.4 million to eliminations to Group companies).

Advertising revenue at 30 September 2014 includes EUR 204.2 million realised by the Group's Communication Solution division (of which EUR 171.5 million from Italian Newspapers, EUR 30.2 million from space of third party publishers, EUR 1.4 million from various Events and EUR 1.1 million from Spanish newspapers) and EUR 137.3 million directly from publishers (of which EUR 104.6 million refer to Spanish Newspapers, EUR 17.1 million to Advertising and Events, EUR 6.8 million to Italian Newspapers, EUR 9.5 million from Corporate Functions and Other Activities (Sfera) and EUR 0.7 million to eliminations to Group companies).

(2) Other publishing revenue mainly includes revenue from the television business of Italian Newspapers and Spanish Newspapers, revenue from disposal of royalties to other companies, revenue from events and shows in Italy and Spain, revenue from e-commerce business, as well as revenue from the sale of customer lists and children's book sets of the Sfera group companies, under the Corporate Functions and Other activities.

(3) Considered as the operating income before depreciation, amortisation and write-downs.

4) As of 30 September 2015 the costs and revenue from the Books area activities were classified in the Profit (loss) from discontinued operations for which a sales contract was signed on 4 October 2015 – its finalisation is subject to the approval of the competent regulatory authorities: any conditional authorisation provision will not affect the completion of the transaction and will not entail changes to the economic conditions established for RCS Mediagroup S.p.A. On 30 September 2014 the profit and loss from discontinued operations was retreated to take into account the result of the books area, as well as the results of IGP Decaux and Gruppo Finelco investments classified as discontinued operations at the end of 2014.

RCS MediaGroup

Reclassified consolidated balance sheet

(tables not subject to audit)

(EUR million)	30 September 2015	%	31 December 2014	%
Intangible Assets	440,4	67,6	508,8	67,3
Property, plant and equipment	107,1	16,4	118,7	15,7
Real Estate Investments	24,4	3,7	24,9	3,3
Financial Assets	212,0	32,5	225,8	29,9
Net Non-current Assets	783,9	120,3	878,2	116,2
Inventories	20,8	3,2	78,8	10,4
Trade receivables	242,5	37,2	392,6	52,0
Trade payables	(296,3)	(45,5)	(395,2)	(52,3)
Other assets/liabilities	(55,4)	(8,5)	(22,8)	(3,0)
Net Working Capital	(88,4)	(13,6)	53,4	7,1
Provisions for risks and charges	(57,7)	(8,9)	(83,7)	(11,1)
Deferred tax liabilities	(61,8)	(9,5)	(75,6)	(10,0)
Employee benefits	(43,2)	(6,6)	(53,7)	(7,1)
Net Operating Capital Invested	532,8	81,8	718,6	95,1
Net invested capital - discontinued operations	118,6	18,2	36,9	4,9
Net invested capital	651,4	100,0	755,5	100,0
Shareholders' equity	151,4	23,2	273,0	36,1
Medium-long term financial payables	351,2	53,9	393,8	52,1
Short-term financial payables	156,4	24,0	97,7	12,9
Non-current financial liabilities for derivatives	12,2	1,9	16,5	2,2
Non-current financial assets for derivatives	-	-	-	-
Cash and short-term financial receivables	(22,7)	(3,5)	(25,5)	(3,4)
Net financial debt related to continuing operations	497,1	76,3	482,5	63,9
Net financial debt (cash) of discontinued operations (1)	2,9	0,4	-	-
		-		-
Total net financial debt (1)	500,0	76,8	482,5	63,9
Total sources of financing	651,4	100,0	755,5	100,0

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets at 30 September 2015 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 30 September 2015 and 31 December 2014, coincide with the net financial position as defined in the aforesaid CONSOB communication.

RCS MediaGroup
Revenue breakdown by Business sectors
(tables not subject to audit)

(EUR million)	Figures at 30/09/2015						
	Revenue	EBITDA BEFORE NON- RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Italian Newspapers	379,8	31,0	8,2%	29,9	7,9%	18,3	4,8%
Spanish Newspapers	234,7	8,5	3,6%	(2,3)	(1,0)%	(51,9)	(22,1)%
Advertising and Events	238,4	1,4	0,6%	0,8	0,3%	0,8	0,3%
Corporate Functions and Other Activities	53,8	(22,6)	(42,0)%	(23,0)	(42,8)%	(41,6)	n.a.
Sundry and eliminations	(163,7)	(0,9)	0,5%	(0,9)	0,5%	(1,0)	n.a.
Consolidated	743,0	17,4	2,3%	4,5	0,6%	(75,4)	(10,1)%
Discontinued operations (1)	162,6	5,6		4,6		(23,9)	
Sundry and eliminations	(5,1)	0,9		0,9		0,9	
Total	900,5	23,9	2,7%	10,0	1,1%	(98,4)	(10,9)%

(EUR million)	Figures at 30/09/2014						
	Revenue	EBITDA BEFORE NON- RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Italian Newspapers	384,3	27,5	7,2%	28,1	7,3%	8,2	2,1%
Spanish Newspapers	257,1	5,2	2,0%	(21,5)	(8,4)%	(36,0)	(14,0)%
Advertising and Events	251,8	(2,0)	(0,8)%	(2,8)	(1,1)%	(2,9)	(1,2)%
Corporate Functions and Other Activities	55,6	(21,2)	(38,1)%	(21,4)	(38,5)%	(38,4)	n.a.
Sundry and eliminations	(177,0)	(0,3)	0,2%	(0,3)	n.a.	(0,3)	n.a.
Consolidated	771,8	9,2	1,2%	(17,9)	(2,3)%	(69,4)	(9,0)%
Discontinued operations (1)	155,4	4,2		1,3		(0,1)	
Sundry and eliminations	(5,7)	0,3		0,3		0,3	
Total	921,5	13,7	1,5%	(16,3)	(1,8)%	(69,2)	(7,5)%

1) In the first nine months of 2015 the costs and revenue from the Books area activities were classified in the Profit (loss) from discontinued operations for which a sales contract was signed on 4 October 2015 – its finalisation is subject to the approval of the competent regulatory authorities: In keeping with the adopted classification, including in the above details Revenue, EBITDA and EBITDA before non-recurring expense related to the Books area are reported separately from the consolidated total for the two periods being compared.

INTEGRATIONS REQUIRED BY CONSOB ON 27 MAY 2013, IN ACCORDANCE WITH ART. 114, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998

a) The net financial position of the RCS Group and its subsidiary, highlighting short-term elements separately from medium-and long-term components

(EUR million)	Carrying amount		Change
	30/09/2015	31/12/2014	
Non-current financial assets for derivatives	-	-	-
TOTAL NON-CURRENT FINANCIAL ASSETS	-	-	-
Securities	-	-	-
Financial receivables	8,2	11,8	(3,6)
Current financial assets for derivatives	-	-	-
Current financial receivables and assets	8,2	11,8	(3,6)
Cash and cash equivalents	14,5	13,7	0,8
TOTAL CURRENT FINANCIAL ASSETS	22,7	25,5	(2,8)
Non-current financial payables and liabilities	(351,2)	(393,8)	42,6
Non-current financial liabilities for derivatives	(12,2)	(16,5)	4,3
TOTAL NON-CURRENT FINANCIAL LIABILITIES	(363,4)	(410,3)	46,9
Current financial payables and liabilities	(156,4)	(97,7)	(58,7)
Current financial liabilities for derivatives	-	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	(156,4)	(97,7)	(58,7)
Net financial debt related to continuing operations	(497,1)	(482,5)	(14,6)
Financial debt after discontinued operations	(2,9)	-	(2,9)
Total Net Financial Debt (1)	(500,0)	(482,5)	(17,5)

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets at 30 September 2015 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 30 September 2015 and 31 December 2014, coincide with the net financial position as defined in the aforesaid CONSOB communication.

The net financial position at 30 September 2015 was negative for EUR 500 million and recorded an increase of EUR 17.5 million compared to 31 December 2014, primarily due to payments related to new investments and non-recurring expenses. By contrast, the first nine months of 2015 benefited from proceeds related to the sale of the stake in Gruppo Finelco and IGP Decaux, for a total of EUR 39 million. 2014 benefited from proceeds related to the voluntary conversion of preferred shares into common shares for approximately EUR 47 million and sales of blocks 2 and 3 of the Solferino property for around EUR 18 million. Cash flow from operations improved (around EUR +35 million) compared to the same period in 2014.

Below is the net financial position of the parent company RCS MediaGroup S.p.A., highlighting short-term elements separately from medium-and long-term components

(EUR million)	30 September 2015	31 December 2014	Change
Current financial receivables			
Cash and cash equivalents	3,5	0,7	2,8
Current financial receivables	52,6	47,9	4,7
A) Total current financial receivables	56,1	48,6	7,5
Current financial payables			
Payables due to c/a banks	(37,2)	(36,8)	(0,4)
Current financial payables	(632,7)	(585,2)	(47,5)
Financial liabilities for derivatives	-	-	-
B) Total current financial payables	(669,9)	(622,0)	(47,9)
(A+B) Total net current financial (debt)	(613,8)	(573,4)	(40,4)
Non-current financial receivables			
Financial assets for derivatives	-	-	-
C) Total non-current financial receivables	-	-	-
Non-current financial payables			
Non-current financial payables	(340,4)	(380,8)	40,4
Non-current financial liabilities for derivatives	(12,1)	(16,6)	4,5

D) Total non-current financial payables	(352,5)	(397,4)	44,9
(C+D) Total net non-current financial (debt)	(352,5)	(397,4)	44,9
TOTAL Net Financial (Debt)	(966,3)	(970,8)	4,5

The Company's net financial debt as of 30 September 2015 was negative for EUR 966.3 million and recorded an increase over 31 December 2014 of EUR 4.5 million.

The positive contribution was the result of income generated by effects related to the sale of holdings in Gruppo Finelco and IGPDecaux. Operations also contributed positively. These were countered by expenditures for investments, non-recurring expenses incurred for the restructuring process in progress and payments to share capital/cover losses for subsidiaries.

b) Mature debt positions distributed by category (financial, commercial, tax and social security) and connected to potential reactions from Group creditors (reminders, injunctions, suspensions of supplies)

(EUR million)

Analysis overdue debt positions (1)								
30/09/2015	30 days	31-90 days	91-180 days	181-360 days	> 360 days	Total Due	Total maturin g	Total
Trade debt positions	21,5	14,1	7,0	4,1	22,5	69,2	314,4	383,6
Financial debt positions						0,0	162,2	162,2
Tax debt positions						0,0	13,8	13,8
Social security debt positions						0,0	9,8	9,8
Other debt positions	0,1	0,1	0,1		0,4	0,7	100,3	101,0
Total debt positions	21,6	14,2	7,1	4,1	22,9	69,9	600,5	670,4

(1) The total of the reported values includes the debt positions related to the Books area, classified in Liabilities associated with assets held for sale.

The short-term portion of provisions for risks and charges as well as payables resulting from measurement of Group investments at equity, have been eliminated from the total debt positions. Debt positions at 30 September totalled EUR 670.4 million (EUR 602.7 million at 30 June 2015). The non-overdue positions of EUR 600.5 million represented approximately 89.6% of the total. On 30 September 2015 there were no overdue accounts on financial, tax or social security debt positions.

Overdue debt positions, mainly commercial in nature, totalled EUR 69.9 million (EUR 71.2 million at 30 June 2015), a decrease of EUR 1.3 million.

Specifically, the comparison with 30 June 2015 shows a decrease that originated in the 31 to 90 day bracket (EUR –4.6 million), and between 181-360 days (EUR –4.4 million). These decreases were offset by the increase in the brackets between 91-180 days (EUR +3 million), within 30 days (EUR +2.7 million) and beyond 360 days (EUR +2 million).

Overdue debt positions included EUR 21.6 million in accounts less than 30 days overdue (EUR 18.9 million at 30 June 2015), which essentially relate to the company's operations (operating payables). The positions expiring on 30 September 2015 were conventionally classified among the debts due for payment, and amounted to approximately EUR 21.3 million. The remainder, of EUR 48.3 million, included accounts payable to agents, totalling EUR 19.5 million (27.9% of the total residual overdue amount). In relations with agents, industry practice requires the payment of a monthly advance on their activities, which is reported under trade receivables on the balance sheet. Amounts anticipated to agents, which refer to overdue debts, totalled EUR 23.3 million, which is greater than the specific amount overdue. It should be noted that payables due to agents which were overdue more than 360 days represented approximately 70.1% of this category of overdue accounts.

Overdue trade accounts of EUR 69.2 million (EUR 71 million at 30 June 2015) mainly refer to the Parent Company (EUR 44.6 million).

There were no legal actions for the recovery of significant sums allegedly due in respect of commercial relations.

c) Transactions with the Company and RCS Group related parties

For the details regarding transactions with Company and RCS MediaGroup S.p.A. related parties, see the Interim Management Statement.

d) Potential non-compliance with covenants, negative pledges and other clauses in the Group's borrowing commitments which could limit the use of financial resources, together with up-to-date details of the level of compliance

The Loan Agreement signed in June 2013 for a total maximum amount of EUR 600 million decreased to EUR 426.6 million as of 30 September 2015.

The Loan was originally composed by three separate credit facilities:

- Line of Credit A (bullet), term line for EUR 225,000,000.00 to be repaid in a lump sum at the earlier date between (i) the third anniversary of the relative date of use and (ii) 31 July 2016 and whose use at 30 June 2015 has remained unchanged from 31 December 2014 at EUR 95.6 million. It should be noted that this line is repaid early through the amounts from the disposal of non-core assets;
- Line of Credit B (amortizing), term line for EUR 275,000,000 to be repaid at the earlier date between (i) the fifth anniversary of the relative date of use and (ii) 31 July 2018, based on an amortization plan attached to the Loan Agreement and whose use has remained unchanged from 31 December 2014 at EUR 252 million; and
- Revolving Line of Credit, revolving line for EUR 100,000,000 to be repaid at the earlier date between (i) the fifth anniversary of the relative first date of use and (ii) 31 July 2018.

The Loan agreement requires compliance with the following financial covenants



Reference Date	Financial Covenant (at Group consolidated financial statements level)
31 December 2015	(i) Net Financial Position < or equal to EUR 440 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.50x.
31 December 2016	(i) Net Financial Position < or equal to EUR 410 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.25x.
31 December 2017	(i) Net Financial Position < or equal to EUR 380 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.00x.

In the event of violation of the applicable financial covenants, or if other qualifying events occur such as, among others, failure to pay the amounts due under the Loan Agreement, cross default in relation to the Group's financial debt or starting of proceedings by creditors, for amounts over certain thresholds, violations of obligations undertaken pursuant to the Loan Agreement, change of control or the occurrence of events which have a significant negative effect as defined herein, the banks have the right to ask for repayment of lines of credit as per the Loan Agreement. In terms of Change of Control, the cancellation of the Shareholders' Agreement which occurred in October 2013 is not considered a change of control as governed by the loan agreement.

The amended agreement signed on 11 August 2014, changed some of the terms and conditions of the Loan Agreement. In order to obtain greater flexibility for the deadline for the sale of non-core assets, the deadlines for the following obligations were changed from the end of 2014 to the end of September 2015:

- (i) obligation to exercise – by 31 December 2015 and within time for permitting the subscription and actual payment of the capital injection subject of the Mandate by 31 March 2016 - the mandate granted on 30 May 2013 to the Company's Board of Directors for a rights issue, which may be performed separately, and up to the maximum amount of EUR 190,000,000.00 (the "Mandate"), an amount equal to the difference between EUR 600,000,000.00 and the amount of the capital injection of the Company subscribed and actually paid before the first disbursement as per the Loan Agreement, if one of the following events occurs (known as *Triggering Events*):
 - (a) obligation to ensure that, on the date of approval for the quarterly consolidated statements related to the quarter closing 30 September 2015, the Net Financial Position / EBITDA ratio (to be calculated before non-recurring expenses up to an amount equal to EUR 40 million) on a rolling last twelve months basis is not greater than 4.5x;
 - (b) obligation to ensure that the income deriving from disposals of Non Core Assets actually collected by the company from the date of signing the Loan Agreement, scheduled for 30 September 2015 and subsequently deferred to 13 November 2015 is not less than EUR 250,000,000.00 (the "Target Income Amount") and that by the same date the Agent Bank is sent a written certification relating to the income actually collected by the Company as of 13 November 2015, deriving from disposals of Non Core Assets;

with the understanding that, if by 31 March 2016 the capital injection which is the subject of the Mandate has been paid for an amount less than EUR 200,000,000.00 the Company will have the obligation to sell assets other than Non-Core Assets (x) for cash (without extension of payment and earn out) and the sales contracts for the above must be finalised by 31 March 2016; (y) the collection of the relative income must actually occur

by 31 March 2016 for a total amount equal to the difference between (a) EUR 200,000,000.00 and (b) the amount actually paid as well as earmarked for early repayment of the Loan in compliance with the Loan Agreement following performance of the rights issue subject of the Mandate actually subscribed; (z) the income from the sale must be used for obligatory early repayment of Line of Credit “A”, until it is fully repaid and Line of Credit “B”, to perform by reducing the amount of the instalments starting from the next instalment.

In particular, with reference to the obligations and financial covenants of the Company for 2015:

with reference to the commitment set out in point (a), the financial position at 30 September 2015 shows a failure to meet the commitment.

with reference to the commitment set out in point (b), the total income from disposals of *non core assets* effectively collected at today’s date is EUR 191 million, compared to a commitment of EUR 250 million. However, considering the expected income in the early months of 2016 from the disposal of RCS Libri, the total income from contracted disposals in the three years 2013-2015 will amount to around EUR 319 million, easily exceeding the EUR 250 million set out in the commitment under point (b).

with reference to the financial covenants for 31 December 2015, provisional figures as at 31 December 2015 lead to the belief that these commitments will not be respected. The covenant on Net Financial Position < or equal to EUR 440 million would also be respected if the financial effects of the sale of RCS Libri were taken into account.

Starting in 2014 and especially in recent months, the company has maintained constant contact with its lending banks to provide them with the necessary information and renegotiate a number of terms and conditions of the Loan Agreement in favour of the Company. Particularly, the changes made in August 2014, following the conversion of saving shares.

On 17 July 2015, during the negotiations for the shareholding disposal in RCS Books, Finelco and Veo, the Group requested to the Creditor Banks the permission to transfer the aforementioned shareholding and the surrender of the commitments as of (I), (II) and (III).

To this regard, the Creditor Banks, while not agreeing to the waiver request by the Group with respect to the noncompliance with the covenants, (i) authorized the disposal of the Group’s shareholding in RCS Libri S.p.A, Finelco and Veo, (ii) rejected all other requests, although changing terms as of (I) e (II) from the 30 September to the 13 November 2015, (iii) showed their availability to start negotiations in good faith to redefine the terms and conditions of the Financing Agreement upon receiving the Group’s new Business Plan as well as greater visibility on the disposal of the Group’s entire holding in RCS Libri, as requested by RCS in the same waiver request,

After the sale of its shareholding in Finelco and in RCS Libri S.p.A., respectively complete on 15 September and on 4 October 2015, the Company on 9 October 2015 asked creditor banks to waive the remedy application contemplated for non-compliance with the commitments referred to points (I) and (II), removing the obligation to exercise the mandated capital increase, and the application of the financial covenants set for 31 December 2015 referred to the previous point (III) .

On 6 November, the Group furthermore requested to the Creditor Banks, as subordinate and alternative to the waiver request sent on 9 October 2015, and on the premise that:

A. The Company has duly fulfilled all its payment obligations under the Loan Agreement, both principal and interest, expenses and additional required by the Loan Agreement,

B. upon completion of the sale of RCS Books, expected in the first months of 2016, the Company will record the receipt of gross proceeds resulting from disposals of assets in place as of the date of signature for an amount at least equal to the maximum target of income, of:

- Refrain until 30 April 2016 from exercising rights and powers to which they are entitled pursuant to the Loan

Agreement (events of termination, resolution and withdrawal), as a result of any failure to meet the commitments (I), (II), (III);

- Keep in place for the Company, until 30 April 2016, the full availability of the revolving credit line as well as any credit lines granted on a bilateral basis, continuing to allow the ordinary use.

In the same request, the Company expressed:

- Its own commitment to approve and present to the market and to the same Lending Bank the Business Plan by 20 December 2015.

- Its willingness to initiate with the Lending Banks, in the context of the Business Plan's presentation to the market, a shared strategy to redefine the Loan Agreement's terms and conditions, in line with the requirements of the Business Plan.

On 12 November 2015, the Lending Banks communicated that, subject to (i) the convening of the Company's Shareholders Meeting in good time, to be held by 20 December 2015, in order to extend the terms of the mandate for an appropriate period of time and in any case no earlier than 30 June 2016, for an amount not less

than Euro 200,000,000.00 and (ii) the provision to the Lending Banks, as soon as possible and no later than the end of November 2015, the contents of the new Business Plan, or at least an outline of the salient points, the willingness to bring to the attention of the relevant decision-making bodies, with a favourable opinion, a standstill agreement until 30 April 2016 - with regards to the breach of contract mentioned in the demand for standstill (i.e. breach of financial commitments at 31 December 2015 and commitments related to the occurrence of triggering events) - on terms to be mutually agreed and, in any case, provided, among other things, that:

- The Company's Shareholder Meeting agree to the extension of the mandate by 20 December 2015 (or the conferring of a new mandate) under the terms of the above;
- The new Business Plan does not contain substantially material adverse assumptions for the creditor banks;
- There will be no additional defaults under the Loan Agreement;
- An Agreement should be established about the amount of proceeds from the sale of shareholding in RCS Books to Mondadori to be allocated as a repayment of the credit lines.

Discussions with the Lending Banks continue, with the goal of finding a mutually beneficial outcome.

e) Progress of the business plan, showing any discrepancies between the forecast and actual data

In the first nine months 2015, the RCS Group continued to seek additional efficiency measures, to protect against a deterioration of revenue due to the above-mentioned market trends, and was able to sustain its earnings results. Revenue for the first nine months of the year, on a like-for-like basis, was 4% lower than the targets set for the period in the 2015 Budget, reflecting the continued recession in the advertising market in Italy and the fall in printed circulation in Spain, in addition to the negative performance of the advertising market in national newspapers.

Despite the decline in revenue, EBITDA improved compared to the first nine months of 2014. Revenue is expected to be generally stable in the fourth quarter compared to 2014 (due to the positive contribution of international sporting events that mainly offset the decline in circulation) and an improved EBITDA, also as a result of the expected benefits from the efficiency measures including those resulting from recent union agreements signed by the Group in Italy. As a result, the forecast for the year 2015 is for a slight decline in consolidated revenue against 2014 (compared to the substantially stable figure previously forecast and announced) and an increase in consolidated EBITDA before non-recurring expenses (on a like-for-like basis), compared to 2014, both in terms of actual amount and in terms of profitability, which should be around 7% of total revenues (compared to the 9% previously forecast and announced).

The consolidated net financial debt at 30 September 2015 stood at EUR 500 million (EUR 515.3 million at 30 September 2014) and showed an improvement in current operations of around EUR 35 million compared to the same period in 2014. The NFP is expected to further improve by the end of the year with respect to the

figure for 30 September 2015.

In the second quarter of 2015 (latest updated data) Italian GDP increased by 0.7% on the second quarter of 2014 (+ 0.3% over the previous quarter) - Source Istat.

The advertising market in Italy was down 1.6% at the end of September 2015 versus the same period the previous year. Printed media registered a total drop of 6%, with newspapers down 7.3%, with a negative trend both for national and local sales, and magazines down by 3.9% (Source: Nielsen) further confirming the negative performance reported in June. The *online* area also decreased by 1.3% (excluding the Search and Social components) compared to the same period the previous year (Source: Nielsen). The generalist television advertising market (Source: Nielsen) as a whole fell 1.6% compared to the same 2014 period.

An unfavourable trend continued for circulation with printed products due to the acceleration of sales in digital and multimedia versions, which, however, did not offset the loss, also in terms of revenues, of traditional copies; however for part of the decline was compensated for by the increase in cover prices.

Specifically, general information newspapers (with circulation greater than 70 thousand copies) reported a 10% drop in printed circulation in 2015 (Source: January-September 2015 ADS figures). If digital copies are included the market decrease is 5.9%.

In contrast, the positive trend in Spain continued, as reflected in the country's GDP already from the first half of 2014. Specifically, growth was 0.8 percent for the third quarter of 2015 compared to the previous quarter and 3.4% on an annual basis (Source Ine).

Overall the advertising market showed an increase of 6.3% compared to the first nine months of 2014. Internet rose by 10% (source I2P/ArceMedia) and newspapers by 0.7% driven by the strong performance of local newspapers while national newspapers were in decline (-5.9%). In contrast, the negative trend in circulation also continued in Spain for newspaper sales. The progressive circulation figures as of September for the general information newspapers (those with a circulation of over 70,000 copies) showed a fall of 11.2%. (Source OJD).

As previously highlighted, the total value from non-core asset disposals completed during 2013 and 2014 was EUR 191 million. Including the proceeds from the sale of RCS Libri, the total amount is around EUR 319 million.

The new business and financial plan 2016-2018

On 30 July 2015, the Board of Directors unanimously approved the New Strategic and Financial Plan for the RCS Group for the years 2016-2018 (the "2016-2018 Business Plan") based on the guidelines already announced to the market that envisage a focus on the News and Sports sectors.

The presentation of the new 2016-2018 Business Plan to the market was expected in September, but the delay in finalising the sale of RCS Libri S.p.A. led to a postponement.

Subsequently, on 8 October the CEO and General Manager Pietro Scott Jovane resigned and on 27 October 2015, the Board of Directors of RCS MediaGroup nominated Laura Cioli to the positions of CEO and Managing Director of the Company, appointing her on November 12, 2015. The CEO confirmed the strategic guidelines of the 2016-2018 Business Plan and committed to a review of the Plan in light of the recent performance of the Group as well as the markets in which it operates. The CEO then shared with the Board of Directors a timetable in order to present the Plan to the market by 22 December 2015.